

AGRICULTURE, TRADE AND CONSUMER PROTECTION

Budget Summary							
Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$53,909,800	\$63,665,700	\$53,574,000	- \$10,091,700	- 15.9%	- \$335,800	- 0.6%
FED	29,286,600	25,579,900	23,960,900	- 1,619,000	- 6.3	- 5,325,700	- 18.2
PR	45,562,600	84,300,900	48,729,400	- 35,571,500	- 42.2	3,166,800	7.0
SEG	<u>65,389,200</u>	<u>64,102,400</u>	<u>65,315,800</u>	<u>1,213,400</u>	1.9	<u>- 73,400</u>	- 0.1
TOTAL	\$194,148,200	\$237,648,900	\$191,580,100	- \$46,068,800	- 19.4%	- \$2,568,100	- 1.3%
BR		\$7,000,000	\$7,000,000				

FTE Position Summary					
Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to:	
				Governor	2014-15 Base
GPR	211.00	342.36	207.60	- 134.76	- 3.40
FED	85.12	88.77	84.77	- 4.00	- 0.35
PR	196.47	487.56	220.02	- 267.54	23.55
SEG	<u>131.30</u>	<u>130.35</u>	<u>132.40</u>	<u>2.05</u>	<u>1.10</u>
TOTAL	623.89	1,049.04	644.79	- 404.25	20.90

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 135]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$863,800	- \$211,100	\$652,700
FED	420,700	0	420,700
PR	1,113,800	185,500	1,299,300
SEG	<u>75,500</u>	<u>0</u>	<u>75,500</u>
Total	\$2,473,800	- \$25,600	\$2,448,200

Governor: Provide adjustments to the agency base budget for the following: (a) full

funding of salaries and fringe benefits for continuing positions (\$485,500 GPR, \$338,600 FED, \$825,300 PR, and \$155,900 SEG annually); (b) reductions for staff turnover (-\$265,000 GPR and -\$82,200 PR annually); (c) reclassifications and semiautomatic pay progressions (\$3,600 GPR annually, \$4,800 FED annually, \$27,100 PR in 2015-16 and \$52,400 PR in 2016-17, and \$39,200 SEG in 2015-16 and \$62,700 SEG in 2016-17); (d) full funding of lease and directed moves costs (\$460,100 GPR in 2015-16 and \$490,500 GPR in 2016-17, -\$135,600 FED in 2015-16 and -\$130,500 FED in 2016-17, -\$234,000 PR in 2015-16 and -\$217,900 PR in 2016-17, and \$126,900 SEG in 2015-16 and \$144,300 SEG in 2016-17); and (e) removal of non-continuing elements from the agency base (-\$267,500 GPR and -\$304,700 SEG annually).

Non-continuing elements include the removal of the following: (a) \$304,700 petroleum inspection SEG, associated with one-time costs in 2013-15 for transferring programs for petroleum product testing and flammable-product storage tank regulation from the Department of Safety and Professional Services to DATCP; and (b) \$267,500 GPR for one-time funding of agency lease costs for the State Agriculture Laboratory, which occupied a new facility beginning in January of 2014. However, the bill would provide \$403,600 GPR in 2015-16 and \$411,900 GPR in 2016-17 for ongoing State Agriculture Laboratory lease costs under item (d) above for full funding of lease costs.

Joint Finance: Delete \$104,400 GPR in 2015-16 and \$106,700 GPR in 2016-17 and provide \$91,700 PR in 2015-16 and \$93,800 PR in 2016-17 under State Agriculture Laboratory lease costs to reflect the balancing of total facility rental costs between GPR and PR sources.

2. LONG-TERM VACANCY ELIMINATION [LFB Paper 137]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$241,400	- 1.60	\$132,400	0.00	-\$109,000	- 1.60
FED	0	- 0.35	- 46,400	0.00	- 46,400	- 0.35
PR	0	- 9.40	- 1,145,400	0.00	- 1,145,400	- 9.40
SEG	0	- 0.95	- 136,600	0.00	- 136,600	- 0.95
Total	-\$241,400	- 12.30	-\$1,196,000	0.00	-\$1,437,400	-12.30

Governor: Delete 12.3 positions in the classified service that have been vacant for more than one year.

Additionally, delete funding of \$120,700 GPR annually, including \$68,500 annually for positions associated with livestock premises registration and \$52,200 for DATCP central administrative operations. The position associated with the livestock premises registration program was authorized under 2011 Act 278 but has not been filled since that time. Instead, \$250,000 GPR annually has been paid to the Wisconsin Livestock Identification Consortium (WLIC) to administer the state program on a contract basis. The position was provided to allow DATCP to administer the livestock premises registration program internally in the event a contractor could not be secured to administer the program.

Joint Finance: Modify the Governor's recommendation by deleting the following amounts associated with salaries and fringe benefits of FED, PR and SEG long-term vacancies: (a) \$23,200 FED annually; (b) \$572,700 PR annually; and (c) \$68,300 SEG annually. In addition, restore \$66,200 GPR annually for livestock premises registration, to provide a total of \$250,000 each year for the WLIC contract.

The following table shows, by appropriation or program, positions recommended for deletion by the Governor, as well as annual net associated funding deleted:

DATCP Long-Term Vacancy Reductions

<u>Appropriation</u>	<u>Fund Source</u>	<u>Positions</u>	<u>Annual Reduction</u>
Livestock premises registration	GPR	1.00	\$2,300
Central administrative operations	GPR	0.60	52,200
Grain inspection and certification	PR	4.00	195,600
Dog licensing and dog breeder regulation	PR	2.00	126,100
Computer equipment systems, staff and services	PR	1.00	87,500
Agricultural resource management services	PR	1.00	68,800
Fruit and vegetable inspection and grading	PR	0.65	34,300
Dairy trade regulation	PR	0.40	32,200
Public warehouse regulation	PR	0.35	28,200
Soil and water resource management operations	SEG	0.70	48,200
Unfair sales act enforcement	SEG	0.25	20,100
Federal funds – U.S. Department of Agriculture aids	FED	0.30	20,600
Federal indirect cost reimbursements	FED	<u>0.05</u>	<u>2,600</u>
	Total	12.30	\$718,700

3. STATE LABORATORY OF HYGIENE [LFB Papers 675 and 686]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$4,812,200	56.86	-\$4,812,200	- 56.86	\$0	0.00
PR	<u>29,778,500</u>	<u>252.89</u>	<u>- 29,778,500</u>	<u>- 252.89</u>	<u>0</u>	<u>0.00</u>
Total	\$34,590,700	309.75	-\$34,590,700	- 309.75	\$0	0.00

Governor: Transfer the State Laboratory of Hygiene from the University of Wisconsin System to DATCP, effective July 1, 2016. The bill would transfer to or create in DATCP the following appropriations and positions beginning in 2016-17:

State Laboratory of Hygiene Transfer

<u>Appropriation</u>	<u>Fund Source</u>	<u>2016-17</u>	<u>Positions</u>
General program operations	GPR	\$4,812,200	56.86
Program revenue	PR	21,877,000	159.60
Drivers	PR	1,605,900	18.90
State agency services (Fees)	PR	<u>6,295,600</u>	<u>74.39</u>
	Total	\$34,590,700	309.75

Of the positions the bill would transfer, 137.83 would be classified positions (46.86 GPR and 90.97 PR), 163.92 would be unclassified positions (7.4 GPR and 156.52 PR), and 8.0 would be project positions (2.6 GPR and 5.4 PR). The bill would include directives: (a) transferring all assets, liabilities, records and tangible personal property primarily related to the Laboratory of Hygiene, as determined by the Secretary of the Department of Administration (DOA), from the UW System to DATCP; and (b) transferring to DATCP all incumbent UW System employees primarily related to the Laboratory of Hygiene, with employees retaining all comparable rights and employment statuses held as of the date of transfer. The bill would specify the Laboratory of Hygiene director may continue to serve in that capacity.

In addition, the bill would administratively attach the Laboratory of Hygiene Board to DATCP. The Board's 11-person membership would not be changed. Under a limited administrative attachment, the Laboratory of Hygiene Board would retain the authority to direct and supervise the operations of the Laboratory of Hygiene, including exercising regulatory and rule-making functions, planning operations, and determining the Laboratory of Hygiene's fees. DATCP would provide limited administrative functions, including budget, payroll, personnel management, and accounting services. The bill would continue to provide that the Board is to appoint a director, with recommendations provided by the Secretary of Agriculture, Trade and Consumer Protection, and to appoint other professional staff. Technical staff would continue to serve in the classified service and be employed under the director of the Laboratory of Hygiene.

The Laboratory of Hygiene is generally responsible for providing services related to water quality, air quality, public health and contagious diseases. The Laboratory of Hygiene currently occupies three locations in Madison, one of which is co-located with the State Agriculture Laboratory adjacent to DATCP's main offices. The State Agriculture Laboratory provides services relating to food safety, animal health and the impacts of agricultural chemicals on water quality.

State Agency Services. The statutes currently provide the Laboratory of Hygiene discretion in assessing fees for tests conducted on behalf of other units of government. Provisions of the bill would specify the Laboratory of Hygiene is required to charge the Departments of Health Services and Natural Resources fees sufficient to reimburse costs incurred in providing services to the agencies. (Additional information is available under "Health Services -- Public Health and Other Programs" and "Natural Resources -- Departmentwide.") The bill would provide fees may be charged to any other state agency, but it would not immediately be required. The DATCP PR appropriation for state agency services would be

newly created by the bill for these purposes. The appropriation would be continuing, meaning the Laboratory of Hygiene could expend all monies received, subject to approval by DOA.

Additionally, the bill would require the Laboratory of Hygiene to do the following in its biennial budget submission for the 2017-19 biennium: (a) identify state agencies to which services were provided in the 2016-17 fiscal year, but to whom fees were not assessed; (b) for identified agencies not assessed fees, provide the cost of services unbilled; and (c) include a proposal for assessing fees to all state agencies beginning in 2017-18.

Additional information on the Laboratory of Hygiene base budget is available under "University of Wisconsin System."

Joint Finance: Delete provisions transferring the State Laboratory of Hygiene to DATCP, and delete provisions related to state agency payments for laboratory services.

4. WISCONSIN VETERINARY DIAGNOSTIC LABORATORY [LFB Paper 675]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$4,976,800	77.90	- \$4,976,800	- 77.90	\$0	0.00
FED	1,572,600	4.00	- 1,572,600	- 4.00	0	0.00
PR	<u>4,824,700</u>	<u>12.60</u>	<u>- 4,824,700</u>	<u>- 12.60</u>	<u>0</u>	<u>0.00</u>
Total	\$11,374,100	94.50	- \$11,374,100	- 94.50	\$0	0.00

Governor: Transfer the Wisconsin Veterinary Diagnostic Laboratory (WVDL) from the University of Wisconsin System to DATCP, effective July 1, 2016. The bill would transfer to DATCP the following appropriations and positions:

Wisconsin Veterinary Diagnostic Laboratory Transfer

<u>Appropriation</u>	<u>Fund Source</u>	<u>2016-17</u>	<u>Positions</u>
General program operations	GPR	\$4,976,800	77.90
Fees; non-state agencies	PR	4,015,100	4.60
Fees; state agencies	PR	809,600	8.00
Federal funds	FED	<u>1,572,600</u>	<u>4.00</u>
	Total	\$11,374,100	94.50

Of the positions the bill would transfer, 77.5 would be classified positions (64.6 GPR, 12.1 PR and 0.8 FED), 13.0 would be unclassified positions (10.3 GPR and 2.7 FED), and 4.0 would be project positions (3.0 GPR, 0.5 PR and 0.5 FED). The bill would include directives: (a) transferring all assets, liabilities, records and tangible personal property primarily related to the WVDL, as determined by the DOA Secretary, from the UW System to DATCP; and (b) transferring to DATCP all incumbent UW System employees primarily related to the WVDL, with employees retaining all comparable rights and employment statuses held as of the date of

transfer. The bill would specify the WVDL director may continue to serve in that capacity.

In addition, the bill would attach the Veterinary Diagnostic Laboratory Board to DATCP. The Board's nine-person membership would not be changed. Under a limited administrative attachment, the Veterinary Diagnostic Laboratory Board would retain the authority to direct and supervise the operations of the WVDL, including exercising regulatory and rule-making functions, planning operations, and determining the WVDL's fees. DATCP would provide limited administrative functions, including budget, payroll, personnel management, and accounting services. One exception to the WVDL Board's powers, both under current law and the bill, would be appointment of the WVDL director. The bill would specify the Secretary of Agriculture, Trade and Consumer Protection is to appoint a director, in consultation with the Board; under current law, the statutes give the appointment authority to the UW-Madison Chancellor.

Under current law, DATCP administers programs for the surveillance, containment and eradication of diseases affecting state animal populations, while the WVDL is responsible for providing analytic and diagnostic services to assist in implementing animal health programs in the field. The WVDL was previously part of DATCP, but was transferred to the UW System in 2000. Additional information is available under "University of Wisconsin System."

Agency Services. The statutes generally require the WVDL to assess fees for services it provides, except WVDL may not assess fees to DATCP or U.S. Department of Agriculture programs responsible for animal health. The bill would continue these provisions. All WVDL PR appropriations transferred to DATCP would be continuing appropriations, allowing WVDL to expend all monies received, subject to approval by DOA.

Additionally, the bill would require the WVDL to do the following in its biennial budget submission for the 2017-19 biennium: (a) identify state agencies to which services were provided in the 2016-17 fiscal year, but to whom fees were not assessed; (b) for identified agencies not assessed fees, provide the cost of services unbilled; and (c) include a proposal for assessing fees to all state agencies beginning in 2017-18.

Joint Finance: Delete provision.

5. VETERINARY EXAMINING BOARD [LFB Paper 576]

PR-REV	\$780,000
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Governor: Transfer the Veterinary Examining Board (VEB) from the Department of Safety and Professional Services (DSPS) to DATCP, effective July 1, 2015, or the day following the bill's publication, whichever is later. Renumber Chapter 453 of the statutes (Veterinary Examining Board) as Chapter 89. Create in DATCP's animal health program a continuing PR appropriation for receipt of veterinary credentialing fees, and transfer to the DATCP appropriation the portion of the unencumbered balance in DSPS's general operations PR appropriation that is attributable to the Veterinary Examining Board. Require DATCP to promulgate an administrative rule establishing veterinary license, certification or permit fees based on DATCP's cost of administering the veterinary regulatory program. Also, specify veterinary credentialing fees in effect on the bill's effective date remain in effect until repealed or

modified by DATCP.

Under current law, DSPS veterinary licensing fees are \$75 for initial licensure, in addition to separate testing and examination fees, and \$160 for license renewal. Veterinarians and veterinary technicians are to have credentials renewed December 15 of each odd-numbered year; this means license fee revenues, most of which are renewal fees, are received once each biennium. Assuming the continuation of current DSPS fee levels, revenue to DATCP would be estimated at approximately \$780,000 in the 2015-17 biennium. The bill would not estimate expenditures in either year, but as a continuing appropriation, DATCP would be authorized to expend all monies received subject to approval by DOA.

The bill would provide DATCP with authority to investigate suspected instances of persons practicing veterinary medicine without proper credentials, and provide DATCP authority to issue special orders or seek injunctive relief in Circuit Courts for such instances. The bill also would specify the following penalties for violations of DATCP enforcement actions: (a) for violation of a special order, a forfeiture not exceeding \$10,000 for each day of offense; and (b) for violation of a temporary restraining order or injunction, a fine not less than \$25 nor more than \$5,000, a one-year county jail sentence, or both.

Further, the bill provides standard directives transferring from DSPS to DATCP all assets, liabilities, tangible personal property, current contracts and pending matters, as determined by the DOA Secretary, related to the Veterinary Examining Board. No positions would be transferred from DSPS to DATCP. Additional information is available under "Safety and Professional Services."

Joint Finance: Adopt the Governor's recommendation. In addition, amend the bill as follows:

Fees. In addition to requirements that DATCP determine, by administrative rule, fees for initial issuance or renewal of a credential, specify the Department is to notify each credential holder of any fee adjustment that would affect a credential holder.

Background Investigations of Applicants. Specify the VEB may conduct investigations to determine whether applicants for licenses, certifications or permits: (a) satisfy eligibility requirements for the credential; or (b) have an arrest or conviction record. Additionally, specify the VEB may require an applicant to provide any information necessary for such an investigation.

Requirements of Credential Holders. Specify the VEB may investigate whether an applicant for, or holder of, a license, certification or permit has been charged with or convicted of a crime. Also, require a person holding a VEB-issued credential to notify the Board of any felony or misdemeanor conviction within 48 hours of entry of the judgment of conviction. Specify the VEB is to determine by rule what information and documentation the credential holder is to submit with such a notice of conviction.

Competency Determinations. Provide a court may declare a person incapable of applying for a veterinary credential if the court determines the person is incompetent under Chapter 54 of

the statutes (guardianships and conservatorships). In addition, specify DATCP shall deny an application for a veterinary credential or credential renewal, or revoke such a credential for a holder, if the Department receives a record of a declaration of incompetency.

The amendments are intended to clarify DATCP authorities consistent with those powers provided to DSPS for administration of credentialing boards under current law.

6. TRANSFER PUBLIC HEALTH REGULATORY FUNCTIONS FROM THE DEPARTMENT OF HEALTH SERVICES [LFB Paper 381]

	Funding	Positions
PR	\$3,432,500	35.00

Governor: Transfer regulatory authorities for the following public establishments from the Department of Health Services (DHS) to DATCP, effective July 1, 2016: (a) restaurants; (b) vending machines and associated storage areas for foods to be sold via vending machines; (c) lodging establishments, including hotels, motels, bed-and-breakfast operations, tourist rooming houses, campgrounds, camping resorts and recreational or educational camps; and (d) public swimming pools.

In addition, transfer 35.0 classified positions from DHS to DATCP for administration of the regulatory programs. Provide DATCP expenditure authority of \$3,432,500 beginning in 2016-17 in an existing PR appropriation for food regulation, and specify the appropriation is for DATCP regulation of food, lodging and recreational establishments. (Corresponding expenditure authority of \$3.4 million would be deleted in DHS beginning in 2016-17. See the entry under "Health Services – Public Health and Other Programs" for more information.)

In addition to the funding and position transfers, the bill would specify a new retail food establishment, including a restaurant under the bill, could not be issued a license to operate without completing a pre-licensing inspection; this is intended to codify current provisions in DATCP administrative rules. The bill also includes directives: (a) transferring all assets, liabilities, tangible personal property, current contracts and pending matters related to the regulatory programs from DHS to DATCP, as determined by the DOA Secretary; (b) providing for the transfer from DHS to DATCP of incumbent employees primarily associated with the regulatory programs, as determined by the DOA Secretary, and preserving all rights and statuses employees may have earned prior to transfer; and (c) providing DHS-promulgated administrative rules and orders remain in effect until their specified expiration date or until amended or repealed by DATCP. The bill also would specify that DATCP would have authority to promote cooperation and formal, collaborative agreements among the following entities to further the enforcement of DATCP laws and regulations: (a) the State of Wisconsin; (b) local health departments; (c) Native American tribes and bands in the state; and (d) the federal Indian Health Service.

Under current law, Chapter 97 of the statutes provides DATCP regulatory authority in ensuring the safety of food for human consumption throughout its production and manufacture. For these purposes, DATCP is authorized to inspect and license several categories of food-related establishments, including food processing plants, food warehouses, and retail establishments such as grocery stores. DATCP is authorized by statute to designate certain local

health departments as agents for conducting inspection and licensing of retail food establishments, and DHS has similar delegation authority for restaurants, vending operations, hotels and recreational establishments. DATCP also under current law has regulatory authority for dairy farms, milk haulers and dairy processors, and the Department inspects certain facilities at which meat and poultry is slaughtered and processed. The provision is intended to consolidate food-related and other public health regulatory responsibilities in one state agency, under Chapter 97 of the statutes.

Joint Finance: Adopt the Governor's recommendation. Additionally, specify DATCP, DHS, or any local health department designated as an agent may not modify food safety licensing fees established under Chapters 97 or 254 and in effect as of the bill's effective date. Specify the limitation on fee adjustments is in effect beginning on the bill's effective date and ending July 1, 2017.

Further, create in DATCP a food safety advisory council, effective July 1, 2016. Provide the council is to consist of representatives of entities regulated under Subchapter II (food processing and retail food establishments) of Chapter 97 of the statutes, as created by the bill. Provide council members are to be appointed by the DATCP Secretary, to serve at the Secretary's pleasure. Specify the council is to meet at least quarterly and advise the DATCP Secretary on all aspects of food safety, including fees assessed to entities regulated under Subchapter II of Chapter 97. The creation of the council is intended to codify practices currently carried out by DHS.

7. CONVERT BOARD OF AGRICULTURE, TRADE AND CONSUMER PROTECTION TO AN ADVISORY COUNCIL

Governor: Delete statutory language creating the Board of Agriculture, Trade and Consumer Protection. Instead, specify DATCP is under the direction and supervision of the Secretary of Agriculture, Trade and Consumer Protection. Further, create a nine-member Agriculture, Trade and Consumer Protection Council, consisting of seven members with an agricultural background and two members representing consumer organizations. Specify member terms are six years, and appointments are to be made, by the Governor, without regard to political party affiliation, residence, or interest in a special organized group. Provide Council members are to be paid a per diem, as determined by the DATCP Secretary and approved by the Governor, not to exceed \$35 per day nor \$1,000 per year, for each day spent engaged in their duties as Council members. Provide that members of the ATCP Board serving the day before the effective date of the bill are the initial members of the ATCP Council, with each member's term expiring on the July 1 of the year in which his or her appointment to the ATCP Board would have expired.

Under current law, the statutes generally specify board-directed departments are to have advisory, policy-making and regulatory authorities vested in the board, while the secretary is to hold administrative powers. The Department of Agriculture, Trade and Consumer Protection, however, is created "under the direction and supervision" of the Board of Agriculture, Trade and Consumer Protection, while the DATCP Secretary, in whom administrative powers are vested, is nominated by the Governor and confirmed with the advice and consent of the Senate. The nine-

person ATPC Board is to consist of seven persons with an agricultural background and two persons who are consumer representatives. Members serve staggered six-year terms, and appointments are to be made by the Governor without regard to party affiliation, residence or interest in any special organized group. The Board may determine a per-diem amount to be received by its members for days actually and necessarily engaged in duties as a board member, although the amount is subject to approval by the Governor and may not exceed \$35 per day. Members may not collect per diems totaling more than \$1,000 per year, although Board members are also eligible for reimbursement of actual and necessary expenses incurred in the course of their service.

Under the bill, the make-up of the current ATPC Board would generally be retained, including the body's size, membership, member terms, and allowable expenses and per diems. However, the ATPC Council would have no policy-making role, such as that under current law for approving proposed administrative rules. Rather, the Council would be in an advisory role to the DATCP Secretary. In addition, the provision would delete language requiring that the Board approve of the DATCP secretary's appointments for deputy secretary, assistant deputy secretary or division administrators.

Joint Finance: Delete provision as a non-fiscal policy item.

8. FERTILIZER RESEARCH FEES AND FERTILIZER RESEARCH COUNCIL [LFB Paper 138]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- \$511,200	\$511,200	\$0
PR-REV	- \$255,600	\$255,600	\$0

Governor: Repeal the following fees: (a) 27¢ per ton of fertilizer sold or distributed in Wisconsin; and (b) 10¢ per ton of soil or plant additive sold in Wisconsin. Repeal the statutory authorization of the Fertilizer Research Council (FRC) attached to DATCP, and repeal provisions directing: (a) 17¢ of the fertilizer tonnage fee and the 10¢ soil and plant additive fee to the FRC; and (b) 10¢ of the fertilizer tonnage fee to the University of Wisconsin - Extension for outreach on nutrient and pest management. Repeal a DATCP PR continuing appropriation providing for the use of the fertilizer research fees, and delete \$255,600 PR each year. Specify the repeals take effect July 1, 2016.

DATCP collects several fees and surcharges on the production, sale and use of agricultural chemicals, including fertilizers, pesticides, commercial animal feed, and other additives to soils and plants. Fee and surcharge collections are deposited to various segregated funds or other accounts, including the agrichemical management fund, the agricultural chemical cleanup fund, the environmental fund, and a DATCP PR appropriation for weights and measures regulatory programs. However, portions of certain fees are distributed to the UW System for research or outreach on fertilizer use, nutrient management or pest management. The bill would repeal most

agricultural chemical fees distributed to the UW System; however, a research fee of 1.25¢ per ton on agricultural lime-containing material collected by DATCP would continue to be transferred to the College of Agricultural and Life Sciences at UW-Madison.

The bill would reduce fertilizer tonnage fees from a total of 97¢ per ton under current law to 70¢ per ton. Total tonnage fees on soil and plant additives would be reduced from 45¢ per ton to 35¢ per ton. These fees and surcharges would continue to be distributed in varying amounts to the segregated agricultural chemical funds, the environmental fund, and the DATCP weights and measures program.

Joint Finance: Delete provision. Research fees administered by the FRC and budgeted under DATCP would be restored at an estimated \$255,600 annually. Nutrient and pest management outreach funds budgeted under the UW System would be restored at approximately \$166,300 beginning in 2016-17.

9. BULK MILK TANKER LICENSING AND PERMITTING

PR-REV	- \$300,000
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Governor/Joint Finance: Repeal the requirement that bulk milk tankers obtain a license to operate in Wisconsin. Under current law, bulk milk tankers, which are individual trucks used in the distribution of milk, currently must obtain a \$45 annual license and receive a free permit for hauling Grade A milk. Under the bill, bulk milk tankers used by licensed haulers to haul Grade A milk or Grade A milk products would require only a free Grade A bulk milk tanker permit. The bill would retain a statutory prohibition on DATCP charging permit fees for bulk milk tankers that haul Grade A milk, except for instances in which a prior inspection has revealed violations of law, in which case fees could be assessed for a subsequent compliance inspection.

The bill also would specify the following: (a) a bulk milk tanker would be authorized to operate in the state if holding a permit issued by an equivalent regulatory agency in another state; and (b) an applicant for a bulk milk tanker permit would be required to show the tanker had passed inspection by DATCP or a person certified by DATCP to conduct such inspections. Both provisions would clarify current DATCP rule provisions.

The bill would repeal statutory minimum fee amounts for bulk milk tanker reinspections (\$30), as well as for milk distributor licenses (\$50) and reinspections (\$20 per storage facility). Instead, the bill would specify such fees are to be established by DATCP administrative rule, which are currently in effect. The provision would be expected to reduce revenues to DATCP's food regulation PR appropriation by an estimated \$150,000 annually related to the \$45 annual tanker license.

10. COUNTY LAND AND WATER CONSERVATION STAFF [LFB Paper 136]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	- \$1,631,800	\$1,350,000	- \$281,800

Governor: As a standard budget adjustment, delete \$815,900 environmental fund SEG from the nonpoint account for grants for county land and water conservation staff. Funding is associated with amounts provided on a one-time basis to offset 2013-15 GPR reductions for the same grants.

Under current law, DATCP makes grants to counties for land and water conservation staff that perform work related to achieving state goals for soil conservation and water quality. Grants are generally intended to provide for up to three county staff persons at rates of 100% funding for the first position, 70% funding for a second position and 50% funding for a third or any subsequent position. Grants are funded from a combination of GPR and nonpoint SEG. The Governor's recommendation would provide \$8,064,100 each year, including \$3,027,200 GPR and \$5,036,900 nonpoint SEG.

Joint Finance: Provide \$675,000 nonpoint SEG each year for county land and water conservation staffing grants on a one-time basis for the 2015-17 biennium.

Total annual funding would be \$8,739,100, including \$5,711,900 nonpoint SEG and \$3,027,200 GPR. Base-level funding for purposes of establishing the 2017-19 budget would be \$8,739,100, but \$675,000 SEG annually would be removed as one-time funding under standard budget adjustments, leaving \$8,064,100.

11. SOIL AND WATER RESOURCE MANAGEMENT BONDING	BR	\$7,000,000
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Governor/Joint Finance: Provide \$7,000,000 in general obligation bonding authority to support cost-sharing grants under the soil and water resource management (SWRM) program. Bond proceeds support grants made by county land and water conservation departments to agricultural or rural landowners for the installation of structural best management practices to prevent or address nonpoint source water pollution. State law generally requires agricultural operations must receive a minimum offer of cost-sharing if the operation is to be required to change existing practices or structures to address nonpoint source water pollution. Bonding authority for these purposes has been increased by \$7 million each biennium beginning in 2007-09. Principal and interest payments on the bonds are supported by the nonpoint account of the segregated environmental fund, and the bill budgets \$4.0 million in 2015-16 and \$4.1 million in 2016-17 for these purposes.

12. NONPOINT ACCOUNT MANAGEMENT [LFB Paper 136]

Governor/Joint Finance: Transfer \$1,000,000 in each year of the 2015-17 biennium from the segregated agricultural chemical cleanup program (ACCP) fund to the nonpoint account of the segregated environmental fund. The provision is intended to provide additional funds for nonpoint SEG-funded programs during the 2015-17 biennium. [See "Natural Resources -- Environmental Quality" for additional information.]

13. PRODUCER-LED WATERSHED GRANTS [LFB Paper 139]

Governor: Require DATCP to make watershed protection grants to producer-led organizations assisting other agricultural producers in a watershed in voluntarily conducting nonpoint source water pollution abatement activities. Specify an eligible producer-led group is to include at least five agricultural producers, each of whom operates within the watershed a farm that had gross farm revenues of \$6,000 in the preceding tax year, or at least \$18,000 in gross farm revenues combined in the preceding three tax years. Specify that producer-led groups may include additional producers not meeting income-eligibility standards, provided the five-farm minimum is met. Specify that the group must collaborate with at least one of the following entities: (a) DATCP; (b) DNR; (c) a county land conservation committee; (d) the University of Wisconsin System; or (e) a nonprofit conservation organization. Require the producer-led group to form under a memorandum of understanding with its collaborating entities.

Further, specify grants are to be made directly to the producer-led group, except that if the group is not a legal entity, DATCP is to grant funds to a legal entity acting on the producers' behalf. Require any producer-led group receiving funds under the provision to report annually to DATCP on activities carried out with funding and the resulting impacts on water quality in the watershed. Provide DATCP emergency rule-making authority, without the finding of an emergency, for the following purposes: (a) to define eligible legal entities; (b) specifying an application process for producer-led watershed protection grants; and (c) specifying eligible grant activities.

Require DATCP to allocate not more than \$250,000 annually for producer-led watershed protection grants. Specify expenditures are to be made from DATCP's existing nonpoint SEG appropriation for cost-sharing grants to landowners. The bill would continue this appropriation's base-level funding of \$2,500,000 annually.

Joint Finance: Modify the Governor's recommendation to specify the state's share of funding for a grant to a producer-led watershed group may be no more than 50% of eligible project costs, as defined by DATCP by administrative rule. Additionally, specify grants may not exceed \$20,000 to any one recipient in a state fiscal year.

14. COMPUTER SYSTEMS EQUIPMENT, STAFF AND SERVICES

PR	\$600,000
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Governor/Joint Finance: Provide \$300,000 annually for additional expenditures for information technology services supplied throughout the Department. DATCP information technology services are funded from assessments charged to other DATCP programs. The Department reports the funding would support anticipated increases in costs during the 2015-17 biennium. Total authorized expenditures for DATCP computer system equipment, staff and services would be approximately \$2.4 million annually under the bill.

15. WORKING LANDS PROGRAM ADMINISTRATION

SEG	\$16,000
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Governor/Joint Finance: Provide \$8,000 annually from the working lands fund for DATCP administration of farmland preservation programs, also known as the Working Lands Initiative (WLI). Under the Working Lands programs, DATCP administers several land-use instruments under which local governments and agricultural landowners designate rural lands for long-term agricultural and related uses. Such designations may allow for landowners to claim the refundable farmland preservation tax credit against income taxes due. DATCP reports working lands SEG expenditures under the bill would support various supplies and materials costs associated with Working Lands workshops and publications.

16. OZONE-DEPLETING REFRIGERANTS REGULATION STAFFING [LFB Paper 140]

	Funding	Positions
PR	- \$519,600	- 2.05
SEG	0	2.05
Total	- \$519,600	0.00

Joint Finance: Delete \$525,100 PR annually with 6.05 PR positions from the DATCP appropriation for regulation of persons and establishments handling ozone-depleting refrigerants. Instead, provide staffing and funding authority as follows: (a) \$265,300 PR annually under the DATCP appropriation for weights and measures inspection, with 4.0 PR positions; and (b) \$162,100 petroleum inspection SEG annually with 2.05 SEG positions under the appropriation for testing petroleum products and regulating storage tanks of flammable or combustible substances. Additionally, delete \$162,100 SEG annually for supplies and services from the petroleum product testing and storage tank regulation appropriation to offset additions for salaries and fringe benefits of permanent positions.

Statutory and DATCP administrative rule changes beginning in the 2011-12 legislative session have effectively eliminated annual funding to the ozone-depleting refrigerants PR appropriation. Previously, the appropriation received revenues of about \$420,000 PR annually from a \$120 annual registration fee imposed on servicers that handle such refrigerants, as well as other lesser surcharges. The provision is intended to transfer 6.05 filled positions to appropriations supporting other functions to be performed by the affected staff.

17. CONSOLIDATE MARKETING SERVICES IN TOURISM [LFB Paper 627]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$0	- 1.80	- \$224,000	0.00	- \$224,000	- 1.80

Governor: Delete 1.8 positions identified by the administration as being generally related to marketing or communications. Positions would be deleted from the following DATCP program areas: (a) consumer protection (1.0 position); and (b) central administrative operations (0.8 position). Associated funding (\$112,000 GPR annually) would be reallocated from permanent position salaries and fringe benefits to supplies and services.

The provision is intended to consolidate various functions related to marketing of the state or state agency services in the Department of Tourism, which currently markets the state as a destination for tourists and other travelers. Tourism would be provided staffing and funding for an Office of Marketing, and Tourism would charge agencies for marketing services. The bill would not provide for the transfer of any incumbent employees to Tourism. Additional information on the Office of Marketing is available under "Tourism."

Joint Finance: Modify the Governor's recommendation by deleting funding associated with the positions, rather than reallocating funding to supplies and services.

18. TRANSFER EDUCATIONAL APPROVAL BOARD CONSUMER PROTECTION FUNCTIONS [LFB Paper 723]

Governor: Beginning January 1, 2016, provide DATCP general authority to investigate complaints and potential violations related to private trade, business, technical or other schools. The bill would transfer certain oversight functions of such institutions from the Educational Approval Board, which would be eliminated, to the Department of Financial Institutions and Professional Standards (DFIPS), which the bill would create. Additional information is available under the sections "Wisconsin Technical College System" and "Financial Institutions and Professional Standards."

Specific provisions DATCP would be required to enforce would be prohibitions on: (a) institutions' unauthorized use of the terms "college" or "university" without offering an educational program that results in graduates earning an associate degree or higher, and that has accreditation recognized by the U.S. Department of Education or the Council for Higher Education Accreditation; and (b) institutions' unauthorized use of the terms "state" or "Wisconsin" in such a manner as to mislead the public into believing the institution is part of the University of Wisconsin System or the Wisconsin Technical College System. The provision would eliminate language allowing for institutions with a foreign equivalency, as determined by the EAB, to be considered accredited in some circumstances. Also, DATCP would assume responsibility for enforcing prohibitions against persons issuing or using false academic credentials, including degrees, transcripts and certificates.

Additionally, the bill includes directives: (a) transferring to DATCP the assets, liabilities, tangible personal property, pending matters and current contracts pertaining to the EAB's consumer protection functions; (b) providing pertinent orders and administrative rules in effect as of the transfer remain in effect until their expiration date, if specified, or until amended or repealed by DATCP; and (c) transferring, no later than January 31, 2016, to a DATCP PR appropriation for services performed for other state agencies, the unencumbered balance of DFIPS's PR professional licensure appropriation attributable to consumer protection functions transferred by the bill. The Secretary of Administration would be responsible for determining program components and funding to be transferred.

Joint Finance: Delete provision.

19. DEBT SERVICE REESTIMATE [LFB Paper 175]

GPR	- \$655,500
SEG	253,500
Total	- \$402,000

Governor/Joint Finance: Provide the following adjustments to debt service appropriations to reflect estimated principal and interest payments on previously issued general obligation bonds: (a) -\$7,600 GPR in 2015-16 and -\$9,700 GPR in 2016-17 for debt service on past upgrades to the Wisconsin Veterinary Diagnostic Laboratory; (b) -\$295,900 GPR in 2015-16 and -\$342,300 GPR in 2016-17 for bonds issued for landowner cost-sharing and enrollment incentive payments under the Conservation Reserve Enhancement Program, a state-federal land and water conservation program; and (c) \$66,500 SEG in 2015-16 and \$187,000 SEG in 2016-17 from the nonpoint account of the environmental fund for bonds issued to support cost-sharing grants to rural landowners for structural best management practices installed under the soil and water resource management (SWRM) program. Debt service is budgeted under the bill as follows: (a) for WVDL upgrades, \$6,500 in 2015-16 and \$4,400 in 2016-17; (b) for CREP, \$870,800 in 2015-16 and \$824,400 in 2016-17; and (c) for SWRM grants, approximately \$4.0 million in 2015-16 and \$4.1 million in 2016-17.

20. PROGRAM REVENUE REESTIMATES

PR	- \$500,000
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Governor/Joint Finance: Adjust program revenue appropriations as follows to reflect anticipated revenues and expenditures in 2015-17: (a) -\$265,000 each year for agricultural resource management (ARM) services provided to other state agencies; and (b) \$15,000 each year for food safety services.

The appropriation for ARM services currently is funded primarily by federal funds for nonpoint source water pollution abatement, which are transferred from DNR. DATCP uses the funds to support agricultural engineering services under the soil and water resource management program. The appropriation for food safety services is supported mostly by fees for overtime inspections assessed under DATCP's meat and poultry inspection program. Under the bill, ARM services would be estimated at \$336,500 annually, while food safety services would be authorized \$57,700 annually.

21. FEDERAL REVENUE REESTIMATES

FED	- \$5,700,000
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Governor/Joint Finance: Reduce expenditure authority in the following program areas to reflect estimated federal funding to be received by the Department in 2015-17:

2015-17 DATCP Federal Funding Revenue Reestimates

<u>Appropriation</u>	<u>Annual Reduction</u>
Animal health services	-\$500,000
Agricultural development - Business development	-500,000
Agricultural development - Farm assistance	-500,000
Agricultural resource management - U.S. Dept. of Agriculture aids	-1,100,000
Central administrative services - Food and animal health emergencies	<u>-250,000</u>
Total	-\$2,850,000

22. DISSOLUTION OF DRAINAGE DISTRICTS

Joint Finance: Amend Chapter 88 of the statutes as follows to modify procedures for the reinstatement or dissolution of drainage districts.

Sunset sections 88.81(1) through (3) of the statutes beginning on the effective date of the bill, which would have the effect of prohibiting further suspensions of drainage boards. Instead, provide that for any drainage district with operations suspended as of the effective date of the bill, DATCP is required to file, with the Circuit Court having jurisdiction over the drainage district, a notice that the district will be administratively dissolved 36 months after the filing of the notice.

Provide that upon DATCP filing a notice of dissolution, the Circuit Court is to provide the notice of dissolution to the drainage district board, and, if any vacancies exist on the board, to appoint successors under current-law provisions prior to providing the notice. Require the board, upon receiving notification, to notify certain parties specified under current law by s. 88.05(4)(c) of the statutes, including landowners in the drainage district, the Secretary of Natural Resources, the state drainage engineer, and county highway and land conservation officials.

Specify the district is dissolved: (a) 36 months after the filing of a dissolution notice, provided no hearing is requested by a district landowner; or (b) 48 months after the filing of a dissolution notice, if a hearing is requested by a district landowner as described in the following paragraphs but no order of reinstatement is issued under the controlling provisions.

Provide that upon request by any owner of land in the district, the drainage district board shall hold a hearing on the dissolution notice, and if the board determines public welfare would not be promoted by reinstating district operations, the board is to seek Circuit Court approval for dissolution of the district. Provide if current-law provisions for dissolution are not satisfied, or if court approval is not granted, or if the board finds the public welfare will be promoted by reinstating the district operations, the board shall order the district reinstated.

Require upon either dissolution or reinstatement, the drainage district board is to provide notice of the action to the following parties: (a) the Circuit Court with jurisdiction over the district; (b) DATCP; (c) zoning administrators for each affected city, village, town or county; (d) the clerk of each county in which the district is located; and (e) in the case of dissolution only,

the county treasurer.

Specify the provision first applies to a petition for suspension of operation issued under current law for which no final order has been issued as of the effective date of the bill.

23. DISCOVERY FARMS FUNDING [LFB Paper 678]

Governor: Repeal the annual appropriation from the segregated agrichemical management (ACM) fund for the UW System Discovery Farms program, effective July 1, 2016. Delete 1.2 ACM SEG positions and base funding of \$249,800 SEG annually beginning in 2016-17. The UW Discovery Farms program conducts research at operating farms through the Wisconsin Agriculture Stewardship Initiative to assess the environmental and economic effects of practices for land and water conservation and nutrient management.

Joint Finance: Delete provision. Although \$249,800 of DATCP-administered ACM SEG would be restored beginning in 2016-17, the fiscal effect is shown under the UW System, where the program is budgeted.

24. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that DATCP lapse \$1,664,800 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]